



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

October 14, 2003

CRR: 7099 3400 0016 8896 3427

David W. Godlewski
Teck Cominco American, Inc.
15918 East Euclid Avenue
Spokane, Washington 99216

Re: Formal Approval of Replacement Reclamation Surety, Teck Cominco American Inc., Apex Mine, M/053/004, Washington County, Utah

Dear Mr. Godlewski:

On October 8, 2003, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety for Teck Cominco's Apex mine. On September 16, 2003, we received notification from St. Paul Fire and Marine Insurance Company that they were canceling surety bond # [redacted] for the Apex Mine. On October 2, 2003, we received the replacement bond # [redacted] issued by Safeco Insurance Company of America. The surety is escalated to year 2007; therefore, the surety amount of \$57,300 did not need to be changed at this time.

The Division hereby grants its final approval of the replacement reclamation surety for the Apex Mine. We have enclosed copies of the fully signed and executed surety bond for your files. Also enclosed is a copy of page 2 of the Reclamation Contract, which has been changed to reflect the new surety company and policy number as authorized in your telephone conversation with Doug Jensen. No other changes were required on the Reclamation Contract. Also enclosed is the original St. Paul Fire & Marine bond # [redacted] with two riders, for your disposal or return to the surety company.

Thank you for your help in replacing this surety bond in such an expeditious manner. Please call me or Doug Jensen at (801) 538-5286 or 538-5382 respectively, if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg, Permit Supervisor
Minerals Regulatory Program

DWH:DJ:jb

Enclosure: copy of Safeco bond, page w of RC, original St. Paul bond w/riders

O:\M053-Washington\M0530004-ApexMine\Final\apvl-replacesurety-10142003.doc

"OPERATOR'S REGISTERED AGENT":

Name)

(Address)

(Phone)

C T Corporation System

50 West Broadway 8th Floor

Salt Lake City, Utah 84101-2006

(801) 364-5101

"OPERATOR'S OFFICER(S)":

See Attached

SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Safeco Insurance Company of America

"SURETY AMOUNT":

(Escalated Dollars)

\$57,300

"ESCALATION YEAR":

2007

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Teck Cominco American Incorporated the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/053/004 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

APPROVED

OCT 14 2003

DIV. OIL GAS & MINING

ATTACHMENT B

MR FORM 6
Joint Agency Bonding Form

(June 7, 1995)

Bond Number _____
Permit Number M/053/004
Mine Name Apex Mine

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

RECEIVED

OCT - 2 2003

DIV OF OIL GAS & MINING

THE MINED LAND RECLAMATION ACT

SURETY BOND

The undersigned Teck Cominco American Incorporated as Principal,
and Safeco Insurance Company of America as Surety, hereby jointly and severally
bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah,
Division of Oil, Gas and Mining, and _____ in the
penal sum of fifty-seven thousand, three dollars (\$ 57,300.00).
hundred and 00/100

Principal has estimated in the Mining and Reclamation Plan approved by the Division
of Oil, Gas and Mining on the 24th day of August, 19 84, that 9 acres of
land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the
Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has
satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and
Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation
Act, and complied with the Rules and Regulations adopted in accordance therewith, then this
obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the
disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations,
then Principal may apply for a reduction in the amount of this Surety Bond.

Tiffany C. Hopkins

AFFIDAVIT OF QUALIFICATION

On the 9th day of September, 192003, personally appeared before me Tiffany C. Hawkins who being by me duly sworn did say that he/she, the said individual - Tiffany C. Hawkins is the Attorney in Fact of Silver Trs. Co. of America and duly acknowledged that said instrument was signed on behalf of said company by authority of its bylaws or a resolution of its board of directors and said Tiffany C. Hawkins duly acknowledged to me that said company executed the same, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertaking and obligations.

Signed: Tiffany C. Hawkins
Surety Officer, Tiffany C. Hawkins
Title: Attorney in Fact

STATE OF Washington)
COUNTY OF State At Large) ss:

Subscribed and sworn to before me this 9th day of September, 192003.

David J. Bunker
Notary Public

Residing at: Seattle, Washington

My Commission Expires:

9/1, 2007

Page 3

MR-6

Joint Agency Surety Bond

Attachment B

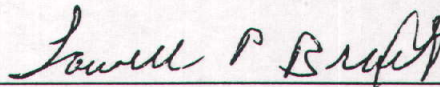
Bond Number _____

Permit Number M/053/004

Mine Name Apex Mine

Other Agency File Number _____

SO AGREED this 8 day of October, 2003.



Lowell P. Braxton, Director

Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.



SAFECO

POWER
OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE: SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 2040

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint

*****DAVID J. BUELOW; DONNA M. MITCHELL-KEENE; TIFFANY C. HAWKINS; GAIL SCOTT; Seattle, Washington*****

its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 28th day of March, 2003

CB Mead

CHRISTINE MEAD, SECRETARY

Mike McGavick

MIKE MCGAVICK, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS ... the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business... On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA
and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
- (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
- (iii) Certifying that said power-of-attorney appointment is in full force and effect,

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, Christine Mead, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 9th day of September, 2003



CB Mead

CHRISTINE MEAD, SECRETARY

EXHIBIT B

IMPORTANT NOTICE TO SURETY BOND CUSTOMERS REGARDING THE TERRORISM RISK INSURANCE ACT OF 2002

As a surety bond customer of one of the SAFECO insurance companies (SAFECO Insurance Company of America, General Insurance Company of America, First National Insurance Company, American States Insurance Company or American Economy Insurance Company), it is our duty to notify you that the Terrorism Risk Insurance Act of 2002 extends to "surety insurance". This means that under certain circumstances we may be eligible for reimbursement of certain surety bond losses by the United States government under a formula established by this Act.

Under this formula, the United States government pays 90% of losses caused by certified acts of terrorism that exceed a statutorily established deductible to be paid by the insurance company providing the bond. The Act also establishes a \$100 billion cap for the total of all losses to be paid by all insurers for certified acts of terrorism. Losses on some or all of your bonds may be subject to this cap.

This notice does not modify any of the existing terms and conditions of this bond, the underlying agreement guaranteed by this bond, any statutes governing the terms of this bond or any generally applicable rules of law.

At this time there is no premium change resulting from this Act.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

DAVID GODLEWSKI
TECK COMINCO AMERICAN INC
15918 E EUCLID AVE
SPOKANE WA 99216

JB DOGM M/053/004 10.14.03

2. Article Number

(Transfer from service label)

7099 3400 0016 8896 3427

PS Form 3811, August 2001

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

Charlotta Mergel

☐ Agent

☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

10/16/03

D. Is delivery address different from item 1?

☐ Yes

If YES, enter delivery address below:

☒ No

3. Service Type

☒ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

Domestic Return Receipt

102595-02-M-103

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

- Sender: Please print your name, address, and ZIP+4 in this box •

Joelle Burns

State of Utah

Division of Oil, Gas and Mining

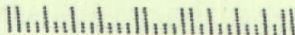
1594 West North Temple Suite 1210

Salt Lake City UT 84114-5801

RECEIVED

OCT 20 2003

DIV. OF OIL, GAS & MINING



U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

JB DOGM M/053/004 10/14/03

Postage

\$

Certified Fee

Return Receipt Fee
(Endorsement Required)

Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees

\$

Postmark
Here

Recipient's Name (Please Print Clearly) (to be completed by mailer)

DAVID GODLEWSKI - TECK COMINCO AMERICAN

Street, Apt. No.; or PO Box No.

15918 E EUCLID AVE

City, State, ZIP+4

SPOKANE WA 99216

7099 3400 0000 9100 8896 3427